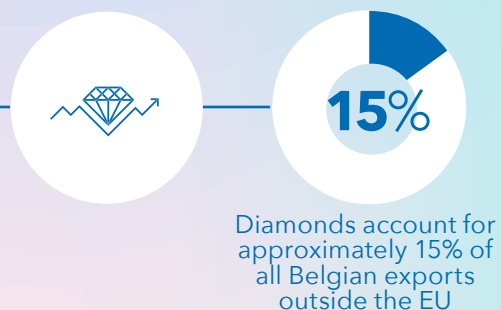
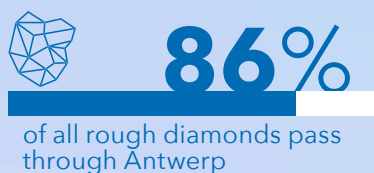
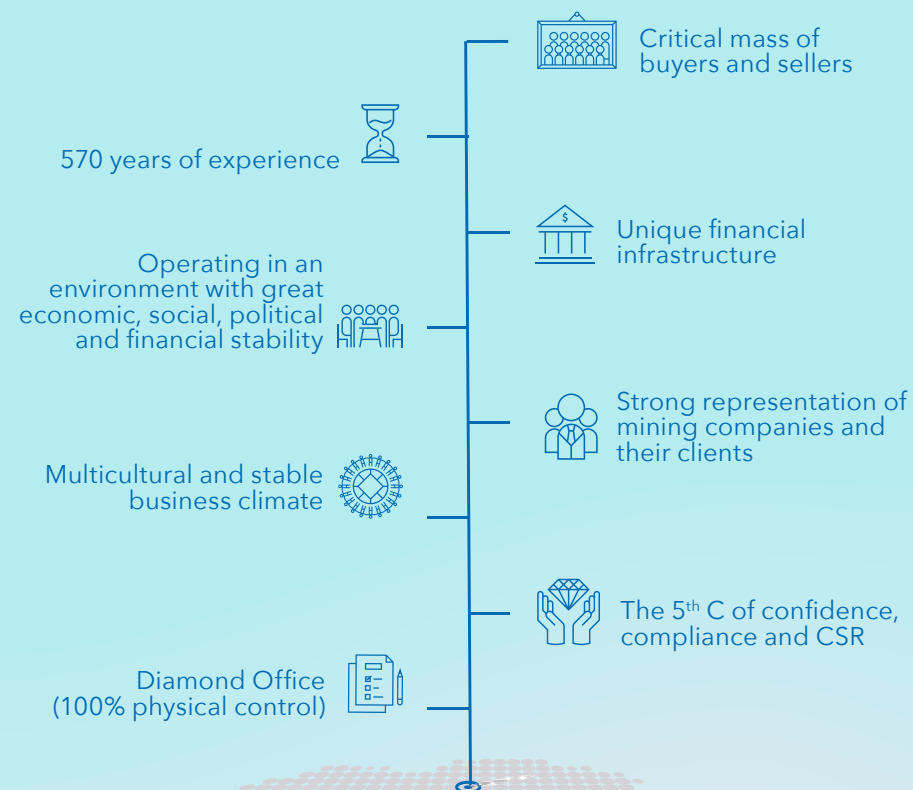


# ABOUT THE ANTWERP DIAMOND INDUSTRY



## ADVANTAGES OF ANTWERP



## DIAMOND-PRODUCING COUNTRIES



COUNTRY	VOLUME (CT)	VALUE (USD)
Russian Federation	42,614,780	4,112,173,170
Botswana	22,961,298	3,329,388,246
Canada	23,233,988	2,059,907,718
South Africa	9,682,965	1,303,927,051
Angola	9,438,802	1,104,622,553
Namibia	1,948,412	1,010,716,179
Lesotho	1,126,409	342,657,690
Australia	17,134,730	199,695,128
Zimbabwe	2,507,604	175,379,664
Congo, RDC	18,902,764	157,270,993
Others	1,374,610	328,773,923
<b>TOTALS</b>	<b>150,926,362</b>	<b>14,124,512,315</b>

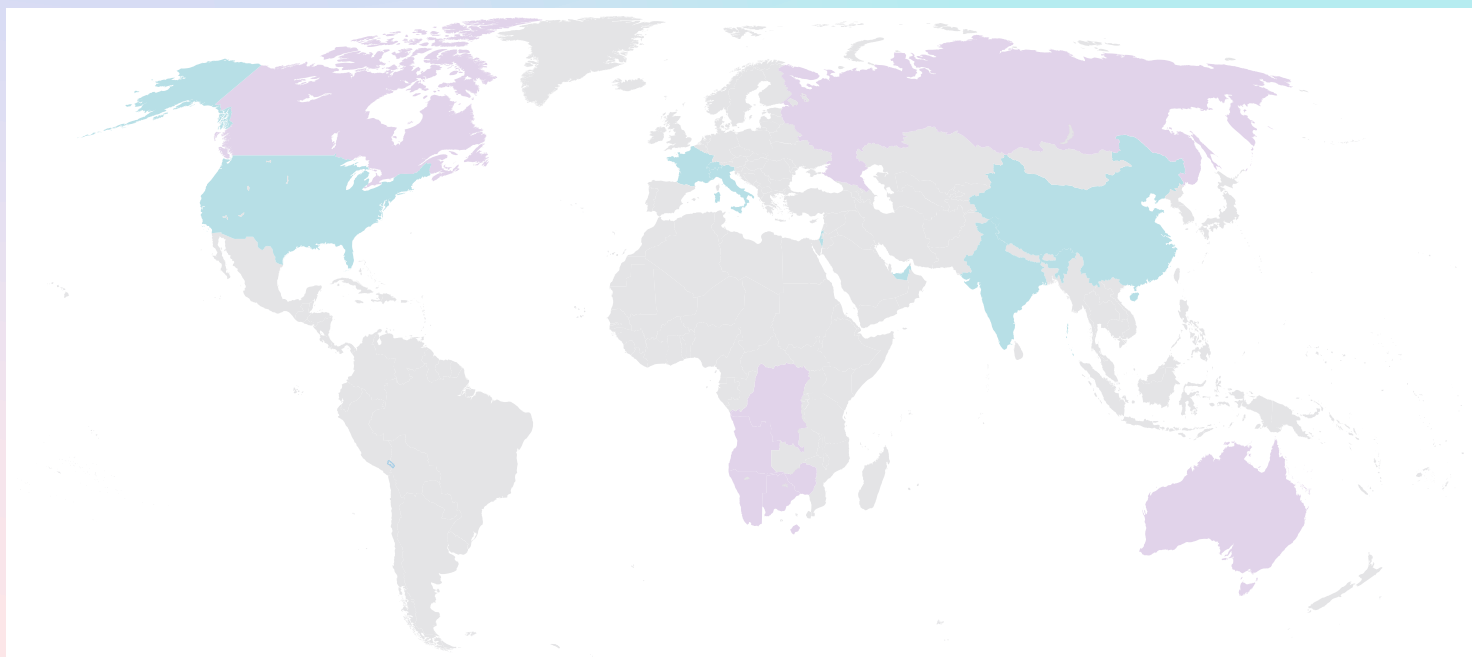
Source: Kimberly Process (2017 figures)

## POLISHED DIAMOND EXPORT MARKETS (ANTWERP)



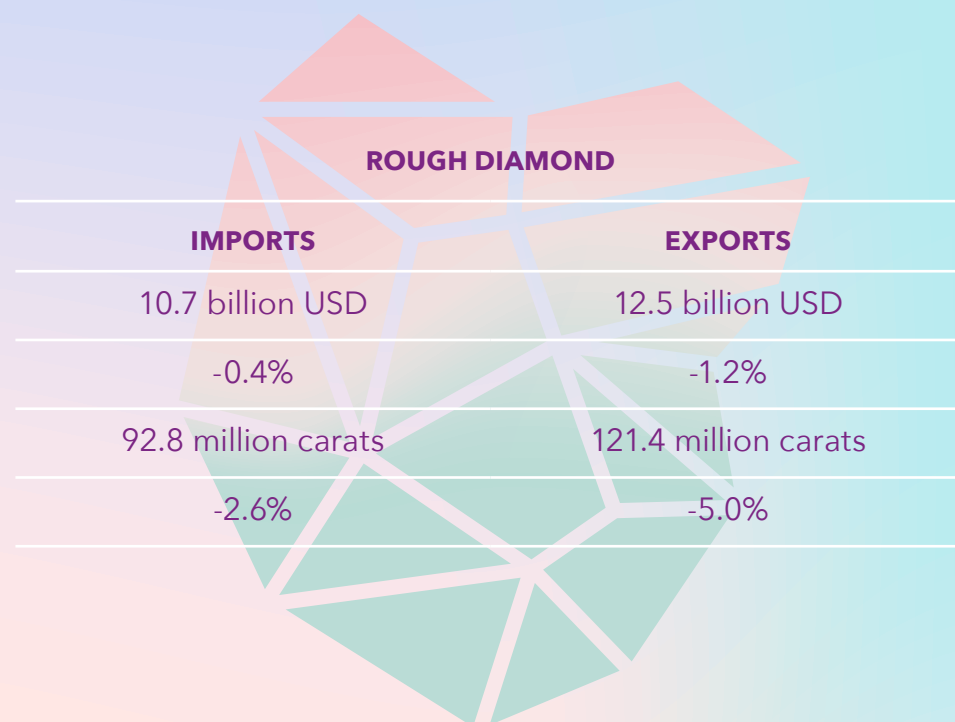
COUNTRY	VOLUME (CT)	VALUE (USD)
United States	479,230	3,365,381,986
Hong Kong	1,079,611	2,915,164,823
Israel	430,129	1,225,718,974
Switzerland	539,029	1,004,197,278
United Arab Emirates	591,749	739,495,669
India	399,615	402,144,992
Italy	376,840	285,261,262
China	151,585	250,947,185
France	89,838	233,529,490
Thailand	131,494	162,415,739
Other	515,952	863,897,665
<b>TOTAL</b>	<b>4,785,072</b>	<b>11,448,155,063</b>

Source: Diamond Office (2018 figures)



## ANTWERP DIAMOND TRADE BALANCED IN 2018

The Antwerp diamond trade was nothing if not balanced in 2018. The industry traded a total of \$46 billion in 2018, representing an increase of less than a percentage point over 2017 (\$45.9 billion). The value of the goods flowing in and out of Antwerp was once again divided equally between rough and polished goods, with the polished trade good for \$22.9 billion and the rough trade representing \$23.1 billion.



The most noteworthy news emerging from the figures provided by the Antwerp World Diamond Centre (AWDC) is that Antwerp's polished diamond trade saw four consecutive years of declining value come to an end, as its value grew by just under 2% to \$22.9 billion compared to the \$22.5 billion of total trade in 2017.



## POLISHED MARKET

The increase in value of Antwerp's polished diamond trade came despite a 2% decline in the volume of goods traded, which fell to 10.5 million carats from 10.7 million carats. Polished diamond exports declined by 4.5% in volume to 4.8 million carats, while polished imports increased by nearly 2% to 5.7 million carats. The fact that the value of Antwerp's polished diamond trade rose is attributable to an increase in the average price per carat, with the price of polished exports increasing 5% to \$2,392 per carat from \$2,275 per carat, marking the highest average price for exported goods in at least a decade. The average price of polished imports also rose by 1% to \$1,994 per carat from \$1,970 per carat, marking the highest average price per carat imported since 2014.

The value of polished diamond exports to Antwerp's two leading markets, the US and Hong Kong (supplying China), rose in 2018 by 12% and 7% respectively. The gains in the average price per carat were a global phenomenon, rising strongly in the first half of the year before declining in the second half due to weakening currencies in China and India and uncertainties surrounding the US-China trade discussions. It also seems that despite all the publicity surrounding laboratory-grown diamonds this past year, concerns that their increased presence on the market will have a negative impact on the price of natural diamonds, particularly in the United States, have to this point not come to fruition.



## ROUGH MARKET

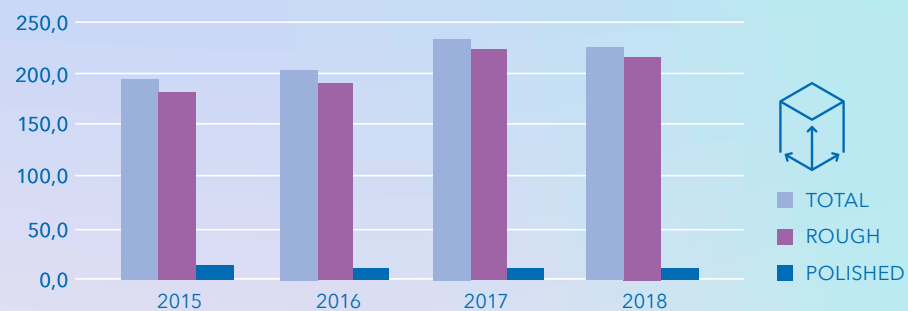
On the rough market, where Antwerp retained its position as the world's leading trade center, the overall value of goods imported and exported remained steady at \$23.1 billion, compared to \$23.3 billion in 2017. Here as well, a slight increase in the average price per carat compensated for a modest decline in the volume of goods traded. Rough diamond imports declined by nearly 3% in volume to 93 million carats while the \$10.7 billion in value represents less than half a percentage point decline from 2017, as the average price of imported rough goods gained 1% at \$115 per carat. Rough diamond exports fell 5% in volume to 121 million carats with a value of \$12.5 billion, representing a 1% decline from 2017 as the average price of those exports rose 4% to \$103 per carat.

The figures from Antwerp's rough trade show clear signs of a global trend in the rough diamond trade over the past two years, with significantly higher volumes of lower-priced goods entering the market. By way of illustration, Antwerp exported 20% more rough goods in 2018 than in 2016, while the average price of those goods declined 18%, leaving the overall value of Antwerp's rough diamond trade steady over the past three years.

The fact that the volume of Antwerp's rough diamond exports consistently exceed its imports by significant volumes is attributable to the European Union serving as a single member of the Kimberley Process, meaning that Antwerp is not necessarily the point of entry of diamonds to the EU, but is almost always the point of exit. Two of the world's largest mining companies (Rio Tinto and Dominion Diamond Mines), with a combined annual production of 25-30 million carats, export their goods to Great Britain, and those goods subsequently travel freely to Antwerp where they are traded. All eyes in Antwerp will therefore be focused on the developments surrounding the Brexit, as it could potentially have a significant impact on Antwerp's diamond trade in 2019.

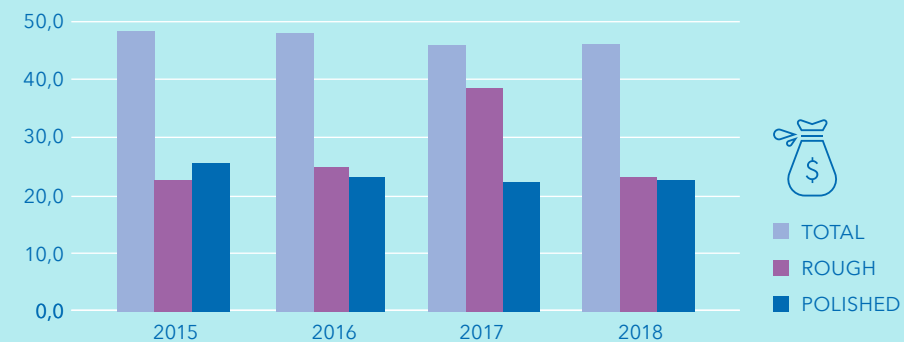


### VOLUME OF TRADED DIAMONDS IN ANTWERP IN MILLION CARATS



Focusing on its strengths while addressing immediate challenges such as financing, amongst others, will be determining factors for Antwerp to maintain its leading position as a rough trading centre for the years to come.

### VALUE OF TRADED DIAMONDS IN ANTWERP IN BILLION USD



### Comparative study of diamond trading centers

Upon the request of AWDC, PricewaterhouseCoopers made a comparative study of diamond trading centers in 2017 with a focus on rough trading. The report summarizes the results of the comparative assessment of seven global trading centres: Antwerp, New York, Tel Aviv, Dubai, Mumbai, Singapore and Hong Kong.

A group of stakeholders across the diamond value chain was consulted on the key criteria they consider as crucial for a successful rough diamond trading center. Building on the insights obtained from stakeholder interviews and sector experience, location categories and factors were defined and weighted:

- Business Environment (40%),
- Institutional Framework (25%),
- Community (10%),
- General Infrastructure (10%),
- Financial Infrastructure (15%).

The overall results at a glance:

- Antwerp is the leader among the rough diamond trading centers, thanks to its conducive business environment, anchored in a complex interplay of the business context of a location, its players and the wider environment for business and people to create value and flourish.
- Mumbai and Dubai build on a combination of a strong financial infrastructure that provides the availability and accessibility for the diamond business to be financed, and a growing rough trading market. Mumbai's added value in terms of proximity to manufacturers and Dubai's fiscal and institutional advantages create a significant threat to the market share of Antwerp.
- Tel Aviv stands out only in terms of business environment, however scores very low in terms of institutional framework, general as well as financial infrastructure.
- New York, Singapore and Hong Kong stand out in terms of market enablers such as institutional framework and trade infrastructure, however, the rough trading market is yet to fully develop there.

